

106TH CONGRESS
2D SESSION

S. 2312

To amend title XVIII of the Social Security Act to provide for a moratorium on the mandatory delay of payment of claims submitted under part B of the medicare program and to establish an advanced informational infrastructure for the administration of Federal health benefits programs.

IN THE SENATE OF THE UNITED STATES

MARCH 29, 2000

Mr. LUGAR introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to provide for a moratorium on the mandatory delay of payment of claims submitted under part B of the medicare program and to establish an advanced informational infrastructure for the administration of Federal health benefits programs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Health Care Infrastructure Investment Act of 2000”.

1 (b) TABLE OF CONTENTS.—The table of contents of
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Moratorium on delayed payments under contracts that provide for the
 disbursement of funds.
- Sec. 3. Establishment of the Health Care Infrastructure Commission.
- Sec. 4. Study and final recommendations; timetable for implementation of ad-
 vanced informational infrastructure.
- Sec. 5. Application of advanced informational infrastructure to the FEHBP.
- Sec. 6. Authorization of appropriations.

3 **SEC. 2. MORATORIUM ON DELAYED PAYMENTS UNDER**
 4 **CONTRACTS THAT PROVIDE FOR THE DIS-**
 5 **BURSEMENT OF FUNDS.**

6 (a) MORATORIUM.—Section 1842(c)(3) (42 U.S.C.
 7 1395u(c)(3)) is repealed.

8 (b) EFFECTIVE DATE.—The amendment made by
 9 subsection (a) shall take effect on the date of enactment
 10 of this Act.

11 **SEC. 3. ESTABLISHMENT OF THE HEALTH CARE INFRA-**
 12 **STRUCTURE COMMISSION.**

13 (a) ESTABLISHMENT.—There is established within
 14 the Department of Health and Human Services a Health
 15 Care Infrastructure Commission (in this section referred
 16 to as the “Commission”) to coordinate the expertise and
 17 programs within and among departments and agencies of
 18 the Federal Government for the purposes of designing and
 19 implementing an advanced informational infrastructure
 20 for the administration of Federal health benefits pro-
 21 grams.

1 (b) DUTIES.—The Commission shall—

2 (1) establish an advanced informational infra-
3 structure for the administration of Federal health
4 benefits programs which consists of an immediate
5 claim, administration, payment resolution, and data
6 collection system (in this section referred to as the
7 “system”) that is initially for use by carriers to
8 process claims submitted by providers and suppliers
9 under part B of the medicare program under title
10 XVIII of the Social Security Act (42 U.S.C. 1395j
11 et seq.) after conducting the study under section
12 4(a)(1);

13 (2) implement such system in accordance with
14 the final recommendations published under sub-
15 section (a)(2) of section 4 and the timetable set
16 forth under subsection (b) of such section; and

17 (3) carry out such other matters as the Sec-
18 retary of Health and Human Services (in this sec-
19 tion referred to as the “Secretary”), in consultation
20 with the other members of the Commission, may
21 prescribe.

22 (c) MEMBERSHIP.—

23 (1) NUMBER AND APPOINTMENT.—The Com-
24 mission shall be composed of 7 members as follows:

1 (A) The Secretary, who shall be the chair-
2 person of the Commission.

3 (B) One shall be appointed from the Na-
4 tional Aeronautics and Space Administration by
5 the Administrator.

6 (C) One shall be appointed from the De-
7 fense Advanced Research Projects Agency by
8 the Director.

9 (D) One shall be appointed from the Na-
10 tional Science Foundation by the Director.

11 (E) One shall be appointed from the Office
12 of Science and Technology Policy by the Direc-
13 tor.

14 (F) One shall be appointed from the De-
15 partment of Veterans Affairs by the Secretary.

16 (G) One shall be appointed from the Office
17 of Management and Budget by the Director.

18 (2) REQUIREMENTS.—Each of the members ap-
19 pointed under subparagraphs (B) through (G) of
20 paragraph (1) shall—

21 (A) have been appointed as an officer or
22 employee of the agency by the President by and
23 with the advice and consent of the Senate; and

24 (B) be an expert in advanced information
25 technology.

1 (3) DEADLINE FOR INITIAL APPOINTMENT.—

2 The members of the Commission shall be appointed
3 by not later than 3 months after the date of enact-
4 ment of this Act.

5 (d) MEETINGS.—

6 (1) IN GENERAL.—The Commission shall meet
7 at the call of the chairperson, except that it shall
8 meet—

9 (A) not less than 4 times each year; or

10 (B) on the written request of a majority of
11 its members.

12 (2) QUORUM.—A majority of the members of
13 the Commission shall constitute a quorum, but a
14 lesser number of members may hold hearings.

15 (e) COMPENSATION.—Each member of the Commis-
16 sion shall serve without compensation in addition to that
17 received for the services of such member as an officer or
18 employee of the United States.

19 (f) STAFF.—

20 (1) IN GENERAL.—The chairperson of the Com-
21 mission may, without regard to the civil service laws
22 and regulations, appoint and terminate an executive
23 director and such other additional personnel as may
24 be necessary to enable the Commission to perform
25 its duties.

1 (2) COMPENSATION.—The chairperson of the
2 Commission may fix the compensation of the execu-
3 tive director and other personnel without regard to
4 the provisions of chapter 51 and subchapter III of
5 chapter 53 of title 5, United States Code, relating
6 to classification of positions and General Schedule
7 pay rates, except that the rate of pay for the execu-
8 tive director and other personnel may not exceed the
9 rate payable for level V of the Executive Schedule
10 under section 5316 of such title.

11 (3) DETAIL OF GOVERNMENT EMPLOYEES.—
12 Any Federal Government employee may be detailed
13 to the Commission without reimbursement, and such
14 detail shall be without interruption or loss of civil
15 service status or privilege.

16 (g) PROCUREMENT OF TEMPORARY AND INTERMIT-
17 TENT SERVICES.—The chairperson of the Commission
18 may procure temporary and intermittent services under
19 section 3109(b) of title 5, United States Code, at rates
20 for individuals which do not exceed the daily equivalent
21 of the annual rate of basic pay prescribed for level V of
22 the Executive Schedule under section 5316 of such title.

23 (h) TERMINATION.—The Commission shall terminate
24 on the date on which the system is fully implemented
25 under section 4(b)(3).

1 **SEC. 4. STUDY AND FINAL RECOMMENDATIONS; TIME-**
 2 **TABLE FOR IMPLEMENTATION OF ADVANCED**
 3 **INFORMATIONAL INFRASTRUCTURE.**

4 (a) STUDY AND FINAL RECOMMENDATIONS.—

5 (1) STUDY.—The Commission shall conduct a
 6 study during the 3-year period beginning on the date
 7 of enactment of this Act on the design and construc-
 8 tion of an immediate claim, administration, payment
 9 resolution, and data collection system (in this section
 10 referred to as the “system”) that—

11 (A) immediately advises each provider and
 12 supplier of coverage determinations;

13 (B) immediately notifies each provider or
 14 supplier of any incomplete or invalid claim,
 15 including—

16 (i) the identification of any missing
 17 information;

18 (ii) the identification of any coding er-
 19 rors; and

20 (iii) information detailing how the
 21 provider or supplier may develop a claim
 22 under such system;

23 (C) allows for proper completion and re-
 24 submission of each claim identified as incom-
 25 plete or invalid under subparagraph (B);

1 (D) allows for immediate automatic proc-
 2 essing of clean claims (as defined in section
 3 1842(c)(2)(B)(i) of the Social Security Act (42
 4 U.S.C. 1395u(c)(2)(B)(i)) so that a provider or
 5 supplier may provide a written explanation of
 6 medical benefits, including an explanation of
 7 costs and coverage to any beneficiary under
 8 part B of the medicare program under title
 9 XVIII of the Social Security Act (42 U.S.C.
 10 1395j et seq.) at the point of care; and

11 (E) allows for electronic payment of claims
 12 to each provider and supplier, including pay-
 13 ment through electronic funds transfer, for each
 14 claim for which payment is not made on a peri-
 15 odic interim payment basis under such part.

16 (2) FINAL RECOMMENDATIONS.—

17 (A) PUBLICATION.—Not later than 3 years
 18 after the date of enactment of this Act, the
 19 chairperson of the Commission shall publish in
 20 the Federal Register final recommendations
 21 that reflect input from each interested party,
 22 including providers and suppliers, insurance
 23 companies, and health benefits management
 24 concerns using a process similar to the process
 25 used for developing standards under section

1 1172(c) of the Social Security Act (42 U.S.C.
2 1320d–1(c)).

3 (B) CONSIDERATIONS.—In developing the
4 final recommendations to be published under
5 subparagraph (A), the Commission shall—

6 (i) make every effort to design system
7 specifications that are flexible, scalable,
8 and performance-based; and

9 (ii) ensure that strict security
10 measures—

11 (I) guard system integrity;

12 (II) protect the privacy of pa-
13 tients and the confidentiality of per-
14 sonally identifiable health insurance
15 data used or maintained under the
16 system; and

17 (III) apply to any network serv-
18 ice provider used in connection with
19 the system.

20 (b) TIMETABLE.—The timetable set forth under this
21 subsection is as follows:

22 (1) INITIAL IMPLEMENTATION.—Not later than
23 5 years after the date of enactment of this Act, the
24 system shall support—

1 (A) 50 percent of queries regarding cov-
2 erage determinations;

3 (B) 30 percent of determinations regarding
4 incomplete or invalid claims; and

5 (C) immediate processing at the point of
6 care of 40 percent of clean claims submitted by
7 providers and suppliers under part B of the
8 medicare program.

9 (2) INTERMEDIATE IMPLEMENTATION.—Not
10 later than 7 years after the date of enactment of
11 this Act, the system shall support—

12 (A) 70 percent of queries regarding cov-
13 erage determinations;

14 (B) 50 percent of determinations regarding
15 incomplete or invalid claims; and

16 (C) immediate processing at the point of
17 care of 60 percent of clean claims submitted by
18 providers and suppliers under part B of the
19 medicare program.

20 (3) FULL IMPLEMENTATION.—Not later than
21 10 years after the date of enactment of this Act, the
22 system shall support—

23 (A) 90 percent of queries regarding cov-
24 erage determinations;

1 (B) 60 percent of determinations regarding
 2 incomplete or invalid claims; and

3 (C) immediate processing at the point of
 4 care of 40 percent of the total number of claims
 5 submitted by providers and suppliers under
 6 part B of the medicare program.

7 **SEC. 5. APPLICATION OF ADVANCED INFORMATIONAL IN-**
 8 **FRASTRUCTURE TO THE FEHBP.**

9 (a) IN GENERAL.—The Office of Personnel Manage-
 10 ment (in this section referred to as the “Office”) shall—

11 (1) adapt the immediate claim, administration,
 12 payment resolution, and data collection system es-
 13 tablished under section 3 (in this section referred to
 14 as the “system”) for use under the Federal employ-
 15 ees health benefits program under chapter 89 of title
 16 5, United States Code; and

17 (2) require that carriers (as defined in section
 18 8901(7) of such Code) participating in such pro-
 19 gram use the system to satisfy certain minimum re-
 20 quirements for claim submission, processing, and
 21 payment in accordance with the timetable set forth
 22 in subsection (b).

23 (b) TIMETABLE.—The timetable set forth in this sub-
 24 section is as follows:

1 (1) INITIAL IMPLEMENTATION.—Not later than
2 5 years after the date of enactment of this Act, the
3 Office shall require that carriers use the system to
4 process not less than—

5 (A) 50 percent of queries regarding cov-
6 erage determinations;

7 (B) 30 percent of determinations of incom-
8 plete or invalid claims; and

9 (C) immediate processing at the point of
10 care of 10 percent of the total number of
11 claims.

12 (2) INTERMEDIATE IMPLEMENTATION.—Not
13 later than 7 years after the date of enactment of
14 this Act, the Office shall require that carriers use
15 the system to support not less than—

16 (A) 70 percent of queries regarding cov-
17 erage determinations;

18 (B) 50 percent of determinations regarding
19 incomplete or invalid claims; and

20 (C) immediate processing at the point of
21 care of 20 percent of the total number of
22 claims.

23 (3) FULL IMPLEMENTATION.—Not later than
24 10 years after the date of enactment of this Act, the

1 Office shall require that carriers use the system to
2 support not less than—

3 (A) 90 percent of queries regarding cov-
4 erage determinations;

5 (B) 60 percent of determinations of incom-
6 plete or invalid claims; and

7 (C) immediate processing of 35 percent of
8 the total number of claims.

9 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

10 (a) IN GENERAL.—There are appropriated to the
11 Health Care Infrastructure Commission established under
12 section 3, out of any funds in the Treasury that are not
13 otherwise appropriated, such sums as may be necessary
14 to carry out the provisions of this Act.

15 (b) AVAILABILITY.—Any sums appropriated under
16 subsection (a) shall remain available until the termination
17 of the Health Care Infrastructure Commission under sec-
18 tion 3(h).

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